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COMMERCIAL TREND OF CHINA.

BY THOMAS R. JERNIGAN, UNITED STATES CONSUL-GENERAL TO
CHINA.

THE recently published statement of the Statistical Secretary of the Chinese Imperial Maritime Customs that the foreign trade of China for 1896 is more valuable than that of any other year in the history of the Empire will give earnestness to the attention that follows commercial movements in Asian lands. Fortunately for the world, the interest of business is subordinating political ambition, and the influence which goes out from business centres is now the most potent factor in directing the course of history. China is to-day the great undeveloped country of the world, and the trend of her commerce cannot fail to invite the careful study of business men.

The total value of the foreign trade of China for 1896 was \$270,273,846.00, an increase of \$15,066,000.00 over the preceding year. This increase is more significant when considered in connection with the fact that there was a decline in exports of \$9,882,000.00, which shows that, moved by the agencies of Western civilization, China, by increased importations, is awakening to an appreciation of that civilization. The margin of gain again appears in the revenue derived from the customs, being for 1896 \$966,330.00 more than for 1895—another significant fact, when it is remembered that in previous years there were the collections from the two Formosan ports to be added, which aggregated annually about \$810,000.00. To place before the business man the infallible evidences of China's commercial trend, the following table has been carefully compiled from the latest customs returns. The years 1889 and 1896 have been selected, in the belief that the interval is sufficient to exempt re-

sults from ephemeral market influences, and that the results shown will prove substantially accurate indications of that trend.

Country.	Imports.			Exports.		
	1889.	1896.	Per cent. increase.	1889.	1896.	Per cent. increase.
U. S. of America.	U. S. \$3,082,587	U. S. \$9,663,189	213.4	U. S. \$1,758,138	U. S. \$9,010,115	56.9
Great Britain...	17,145,559	36,102,823	110.5	12,682,094	9,138,459	27.9 decrease
Hong Kong	51,330,575	73,998,789	44	28,501,181	43,782,978	53.6
India	6,404,329	18,651,915	191.	882,871	1,762,445	99.6
Singapore and Straits	1,518,061	2,624,118	72.8	1,042,527	1,408,232	35.
Europe, except Russia	1,786,850	7,639,907	327.5	14,202,302	14,642,801	3.
Russia, <i>via</i> sea	474,798	1,646,232	246.7	2,291,183	3,455,314	50.8
Russia and Siberia <i>via</i> Kiakta		2,728	...	3,208,904	6,735,597	109.9
Rus. Manchuria.	145,799	156,633	7.4	404,203	1,883,429	365.9
Japan	5,347,484	14,085,999	163.4	5,239,914	9,216,871	75.8
Macao	3,058,022	3,227,429	5.5	1,249,069	1,800,634	44.
Cochin China, Tonkin and Annam	133,661	809,885	505.9	50,046	333,761	566.9
Siam	45,485	157,342	245.9	287,445	434,075	51.
Korea	97,556	373,889	283.	162,077	387,541	139.
All other countries	U. S. \$1,170,562	U. S. \$2,647,882	126.	U. S. \$2,585,723	U. S. \$2,571,234	00.5 decrease
Total	U. S. \$91,741,328	U. S. \$171,788,857	87.	U. S. \$78,527,737	U. S. \$106,563,480	35.7

A gratifying exhibit of the above table is that the trade relations between the United States and China were never so great in value as in 1896, that never in any year has China imported so largely from the United States. The highest rate of increase is seen in the trade with the new French Province on the southwestern border of China, and this is true both in imports and exports. In exports Russian Manchuria comes next and Russia in Siberia third.

The impetus given to the trade with Russia, since the close of the Japan-China war, is doubtless due to the substantial service rendered to China by Russia at that time, and the Russian Minister at Pekin has not allowed China to forget the obligation. A Minister less fertile in resources and diplomatic ability might have succeeded in giving a favorable direction to this trade, but Count Cassini has not only given such a direction, but he has laid deep the foundation for its expansion and opened the long-desired way for Russia to the Pacific Ocean, one of the greatest

diplomatic achievements of the nineteenth century, as it pours sunlight into regions which have been heretofore inaccessible to even the faint rays of a higher civilization.

Next to Cochin China and Tonkin the highest percentage of gain in imports is by the continent of Europe, not including Russia. This is due to the expansion of German trade. The Germans are energetic in their efforts to foster and extend their commerce with China and are using every means to that end. There arrived at Canton, during the month of April, a commission appointed by the German government instructed to study carefully the needs of China and the best methods of advancing the interests of German merchants in that country. And for some time there has been in China a commission for a similar purpose, under the auspices of the British government, amply supplied with all necessary means for studying China from every business standpoint.

Such are some of the efforts of European nations to enlarge their trade relations, and all in addition to their powerful banking corporations and trade journals established and in successful operation in China.

These facts should not pass unconsidered by the business men of the United States. They should not be content to learn from others. It would materially conduce to their interest if they would have an organized commission to view the whole field of China's present and future commercial capacity and thus qualify themselves to utilize all developments on trade lines. A commission sent to a principal business port of Asia for a few weeks only cannot qualify itself to write intelligently on the trade of Asia. The customs, the habits, the prejudices of the Asiatic races, are primary lessons to be learned before judicious calculations can be made for business ventures, and time and study are required to master such lessons.

Returning to the table, the basis of this paper, there is proof of the strength of Asiatic commerce in the rapidly developing trade of Korea; for, although that unfortunate country continues to be the prey of political factions and the subject of diplomatic experiments, the imports for 1896 were the most valuable on record, though the exports were not so large as in 1894. There is now being built a railroad from the capital of Korea to Chemulpo, the principal seaport town; and the spirit of enter-

prise is abroad in that kingdom, which means an expansion of commercial relations.

The lion's share of China's trade still belongs to Great Britain. The decline in exports to Great Britain, which began in 1880, is doubtless due to the activity of Indian industries, which each year supply a larger proportion of the staple that China had hitherto supplied. A decline in exports is also seen in the returns for Australia and New Zealand. While apparently 70 per cent. of the entire foreign trade of China is credited to Great Britain, however, it should be noted that more than one-half must be credited to the Crown Colony of Hong Kong, and when the trade which should be credited to Hong Kong is closely analyzed, it will be found that it is not all British. Hong Kong is a distributing port. All that enters China from that colony has come originally from Europe, America, Australia, or India; and most of the exports through that port go on to other parts of the world. The figures do not, therefore, clearly show the state of the trade. In the case of the United States, for example, a considerable value of the imports into China has been credited to Hong Kong, and this because the steamships of the Pacific Mail and the Occidental and Oriental lines from San Francisco called, until November last, at no other port in China. Their cargoes were landed at Hong Kong, whence they were transhipped to China. To name but one item of the cargoes, there was flour to the value of \$1,219,579 imported into China, mostly if not all from the United States, in 1896, and yet it came into China chiefly through Hong Kong. Now, however, that the steamships named have made Shanghai a port of call, the vagueness in the returns can in a measure be corrected; though, as the trade of Southern China still passes through Hong Kong it will be difficult to make the returns accurate.

A careful examination of the Statistical Secretary's statement discloses the fact that, while there has been a decided increase in imports from Western countries, it is only with Asiatic countries that Chinese export trade is growing. The percentage of increase in the imports of Asiatic countries from 1889 to 1896 was 60.3 per cent., and from other countries it was 143.6 per cent., while the percentage of increase in the exports of Asiatic countries was 65.6 per cent., and in other countries it was only 1.7 per cent. In this connection the observation with reference to the trade of

Hong Kong should be considered in addition to the fact that the cession of Formosa to Japan affects the aggregate of China's foreign trade as compared with the returns of previous years. Whereas, the direct foreign shipments from Formosa in 1894 amounted to \$1,012,500, and the imports from foreign countries into Formosa, the same year, to more than \$2,673,000, the exports to the island in 1896 were valued at \$539,500, and the imports at the large sum of \$4,715,400. And these sums have much to do with the handsome increase of 163.4 per cent. in imports from Japan, and that of 75.8 per cent. in exports to the same country.

The responsibility for the material reduction in the value of exports, already indicated, is charged to the staple articles of tea, silk, and cottons. In the staple of raw cotton, the export of which decreased from 896,000 piculs* in 1895 to 418,000 in 1896, the fall is explained by the local demand for the product of the new cotton mills erected at Shanghai and the neighboring cities, which has advanced the price and made shipments unprofitable. The condition of the silk market, in which there was a falling off of 22,200 piculs, is accounted for by a bad crop, reduced consumption abroad and a partly successful attempt of Chinese dealers to "corner the market." In the one item of black tea there was a decrease of 211,500 piculs, due in a measure to the loss of Formosa shipments and the diminished production. But the noticeable decline of late in the tea trade of China has excited real uneasiness among tea growers and merchants, and to counteract the tendency a Tea Improvement Company has been organized at Foochow to improve, by the aid of the latest machinery and skilful supervision, the preparation of tea, raising the quality with the hope of recovering all lost ground. The ambition of British trade is to sell and not to buy, and under the influence of this laudable ambition the extensive tea farms of India are receiving the fostering care of Britishers. It cannot be disguised, however, that there has been a steadily increasing shipment of China tea to India. In 1887 there were 2,106,600 pounds shipped from China to India; in 1894, 4,333,300 pounds; and in 1896, 6,226,600 pounds. This may be like shipping coal to Newcastle, but the fact remains that China teas, particularly the green, better suit the taste of Asiatic consumers.

*Picul=133 pounds.

The increased value of imports for 1896 over 1895 was mainly contributed to by cotton and woollen goods, metals and kerosene oil. The demand for woollens, however, is not a steady demand, and the annual value of imported woollens during the past ten years has greatly fluctuated, varying from a minimum of \$2,430,000 to a maximum of \$4,536,000. In 1886 cotton goods constituted 33 per cent. of the total value of all imports; in 1896 the value was 39 per cent., more than keeping pace with the growth of trade. It is again pleasing to note that this prosperity in cotton goods is cardinally due to the superior grade of American cottons, which by virtue of such superiority command and hold a position in the markets of China which is strengthened by the test of durability. In 1888 there were 496,096 pieces of American drills imported, valued at \$1,007,796; in 1896, 1,226,759 pieces, valued at \$2,860,396. In 1888 there were of American sheetings 1,557,830 pieces, valued at \$3,154,659; in 1896, 2,257,600 pieces, valued at \$5,400,559. And in 1888 there were only 8,412 pieces of American jeans imported, valued at \$12,638, while in 1896 the number of pieces aggregated 52,840, valued at \$95,664. The three totals for 1896 amount to 71 per cent. of the value of all cottons of these classes imported during that year. While there has been, on the whole, a steady improvement in the demand for metals, it has not kept pace with the general improvement of trade. In 1886 metals constituted six per cent. of the total imports, and in 1896 it was only four per cent. American kerosene oil still leads the market, but has yielded somewhat to Russian and Dutch competition. Other items in which there has been considerable expansion are these :

Articles.	1888.	1895.	1896.
	U. S.	U. S.	U. S.
Candles.....		\$73,213	\$127,880
Dyes, aniline.....	\$753,879	696,181	1,252,341
Flour.....	462,134	1,187,375	1,219,579
Window glass.....	163,408	167,402	281,984
Machinery.....	301,960	1,932,016	1,672,197
Matches.....	882,772	1,550,738	1,700,684
Needles.....	242,300	234,686	512,957
Soap.....	120,037	288,788	421,138
Timber.....	760,190	991,939	957,820
Cigars and cigarettes.....		226,214	324,663

It is estimated that a million pounds of English candles were

imported into China in 1895, and the imports from Holland and France would probably aggregate another million. This article is steadily growing in favor with the Chinese.

If these figures enable the business man to form an intelligent opinion as to the direction in which the volume of China's trade is moving, the purpose of this paper will have been accomplished. It is believed that the figures which show that the importation of cotton goods from the United States is annually increasing in value also attest that every advance in civilization by China will open new markets for such goods. So long as the grade of cotton produced in China remains inferior, every agency of Western civilization at work in the Empire will be an agency for furthering the sale of the goods manufactured from the superior grade of American cotton. This logical conclusion Japanese mills have recognized by increasing their importation of American raw cotton in order to drive out the Western competition and supply the demand now supplied by Western mills. It is in this way that the manufacturers of Japan propose first to neutralize and finally achieve a victory over Western competition. They do not hope to become rivals in Western markets, but they are ambitious of conquering all rivals in Asiatic markets. The conservatism of China has thus far blinded her to the advantages of a favorable soil and climatic influences in the production of a grade of cotton far superior to that now produced; but their conservatism will sooner or later give way before more enlarged and enlightened business connections; and then it may be demonstrated that in China a grade of cotton can be produced equal to that which whitens the Mississippi bottoms or the uplands of Texas. Upon the solution of this problem depends the extent of the demand of Asiatic markets for the production of Western mills.

THOMAS R. JERNIGAN.